

- Ways and Means Committee -  
1989 RECONCILIATION -- ADDITIONAL ITEMS

Fiscal Years 1990-1994  
[Millions of Dollars]

Item	1990	1991	1992	1993	1994	1990-94
I. CHAIRMAN'S MARK, as modified by previous Committee action (1).....	5,464	6,993	5,616	5,448	5,312	28,809
II. CHILD CARE INITIATIVE						
A. Expanded Earned Income Tax Credit (effective 1/1/91):						
1. Adjustments for family size (3+):						
phase in 17%, 21%, 25%; phaseout 12%, 15%, 18%.....	--	-301	-2,853	-3,062	-3,280	-9,496
2. Supplemental for children under 6 years old:						
phase in 6%; phaseout 4.25%.....	--	-149	-1,505	-1,614	-1,730	-4,998
phase in 6%; phaseout 4.25%.....	--	-350	-400	-400	-400	-1,550
B. Expansion of Title XX Block Grant for Child Care Services (outlays).....						
Subtotal, CHILD CARE INITIATIVE.....	--	-800	-4,758	-5,076	-5,410	-16,044
III. EXPIRING PROVISIONS						
A. Temporary Extensions (through 12/31/91)						
1. Employer-provided education assistance						
(3 years).....	-497	-316	-96	--	--	-909
2. Targeted jobs tax credit (2 years).....	-47	-134	-144	-80	-37	-442
3. Mortgage revenue bonds (2 years).....	-11	-55	-117	-145	-143	-471
4. Small-issue manufacturing bonds (2 years).....	-7	-39	-80	-78	-76	-280
5. Business energy credits (solar and geothermal; 2 years).....	-56	-81	-26	5	4	-154
B. Permanent Extensions						
1. Low-income housing credit (with modifications).	-80	-335	-685	-1,067	-1,460	-3,627
2. Research and experimentation credit (with modifications).....	-398	-782	-968	-1,063	-1,194	-4,406
3. Research and experimentation cost allocation rules (64% allocation; effective for taxable years beginning after 8/1/89).....	-310	-625	-708	-772	-837	-3,252
Subtotal, EXPIRING PROVISIONS.....	-1,406	-2,367	-2,824	-3,200	-3,743	-13,541
IV. AMENDMENTS TO MEDICARE CATASTROPHIC PROGRAM (includes outlay effects).....	397	186	337	1,321	N/A	2,241



Item	1990	1991	1992	1993	1994	1990-94
V. ELIMINATE FROM CHAIRMAN'S MARK REPEAL OF REMAINING 10-PERCENT CONSUMER INTEREST DEDUCTION FOR 1990.....	-184	-1,042	--	--	--	-1,226
VI. SUBCOMMITTEE-RELATED ITEMS						
A. Simplify Corporate Alternative Minimum Tax						
1. Eliminate book backstop.....	-388	-590	-575	-538	-560	-2,650
2. Adjust treatment of installment sales of timeshares and residential lots.....	-5	-7	-7	-6	-6	-31
3. Other changes.....	(2)	(2)	(2)	(2)	(2)	(2)
B. Modify Rehabilitation Tax Credit.....	-8	-21	-29	-39	-48	-145
C. CBI Proposal (previously reported by full Committee as H.R. 1233).....	-31	-35	-39	-12	-2	-119
Subtotal, SUBCOMMITTEE-RELATED ITEMS.....	-432	-653	-650	-595	-616	-2,945
VII. REVENUE-RAISING OFFSETS						
A. Tax on Ozone-Depleting Chemicals.....	653	1,280	1,751	2,216	2,615	8,515
B. Treatment of Policyholder Dividends of Mutual Life Insurance Companies..	763	870	332	--	--	1,965
C. Permanent Extension of Telephone Excise Tax.....	--	1,612	2,732	2,930	3,143	10,417
D. Modify Collection Period of Airline Ticket Tax (effective for tax billed after June 30, 1990).....	56	-27	2	2	2	35
Subtotal, REVENUE-RAISING OFFSETS.....	1,472	3,735	4,817	5,148	5,760	20,932
GRAND TOTALS.....	5,311	6,052	2,538	3,046	1,303	18,226

July 18, 1989

\* Rules expire four months after start of a firm's first tax year beginning after August 1, 1987.

(1) Estimate total includes a loss of \$24 million in FY 1989.

(2) Loss of less than \$5 million.

